IN THE HIGH COURT OF JUDICATURE AT MADRAS

Dated: 28-03-2002

Coram

The Honble Mr. Justice P. SATHASIVAM

Writ Petition No. 1692 of 2002 and W.P.M.P.No. 2359 of 2002 and W.V.M.P.No. 154 of 2002

1. Steel Plant Employees Union,
Salem, represented by its
General Secretary, Salem.636 005.

2. Salem Irumbalai Anna Thozhir Sangam,
represented by its General Secretary,
Salem.

3. Salem Steel National Employees Union,
represented by its General Secretary,
Salem.

4. Salem Steel Ministerial Staff
Association, represented by its
General Secretary, Salem.

5. Salem Steel Plant Pattali Thozhil Sangam,
represented by its General Secretary,
Salem-30.

6. Salem Steel SC/ST Employees Integrity
Association, represented by its
President, Salem-30.

7. Salem Steel SC/ST Employees Welfare
and Officers Association,
represented by General Secretary,
Salem-30.

8. SC/ST Employees Trade Union,
represented by its General Secretary,
Salem-30.

.. Petitioners.
Vs.
1. Steel Authority of India Limited,
represented by its Chairman,
Ispat Bhawan, Lodi Road,
New Delhi 110 003.

2. The Executive Director,
Salem Steel Plant, Salem-636 013.

3. The Chief Town Administrator,
(Town Administration Department),
Salem Steel Plant, Salem-636 013.

.. Respondents.

Petition under Article 226 of the Constitution of India for issuance of a Writ of Certiorarified Mandamus as stated therein.

! Miss R. Vaigai for M/s Row and Reddy:-For Petitioners.

^ Mr. S. Ramasubramaniam, Senior counsel for
For respondents.

:ORDER

By consent of all the parties main writ petition itself is taken up for disposal. The petitioners are various Employees Unions of Salem Steel Plant. Aggrieved by the SAIL Scheme for leasing of houses to employees 2001, read with Circular bearing ref.No. TA-21(1) dated 28-12-2001 issued by the third respondent, eight Employees Unions have filed the above writ petition to quash the same and for direction to the respondents to continue to allot the houses/flats at Salem Steel Plant Township to the employees of the Salem Steel Plant on subsidised rental as per the existing housing policy.

2. The case of the petitioners Unions is briefly stated hereunder:
The first respondent-Steel Authority of India is a Central Public Sector Undertaking and conglomerate of several steel plants all over the country, one of such is the Salem Steel Plant, the second respondent herein, which is located near the Salem Town in Tamilnadu. There are about 1250 workmen employed in the Steel Plant at Salem consisting of various categories. The plant is situated in a large area and is far away from the town. Since residential accommodation near the plant was not available, the respondent company constructed four types of quarters, namely, A, B, C and D besides single persons hostel. However, the number of houses constructed were not sufficient to accommodate all the employees and hence the respondent ocompany framed rules called House Allotment Rules for non-executive employees, providing for detailed norms to determine eligibility for allotment. About 40 per cent of the employees alone have been allotted quarters. Many of the workmen members of the petitioner Unions are still waiting in the queue for such allotment. There are several applicants for the quarters who have not yet been allotted quarters inspite of the fact that they have become eligible for the allotment. In this situation, the petitioner workmen were shocked to receive a circular dated 28-1 2-2001, issued by the Chief Town Administrator of the Salem Steel Plant, the third respondent herein.

The circular put forth a scheme called SAIL Scheme For Leasing Of Houses to Employees 2001. The objective of the scheme was to enable the employees/ex-employees to acquire companies houses/flats on long term lease basis. This scheme has been formulated by the Steel Authority of India Limited. By the year 2003-2004, the steel Plants of SAIL will have houses and flats in excess of its requirements. Therefore, SAIL proposes to offer a specified number of company constructed houses/flats to its employees, exemployees, spouses/legal heirs of deceased employees on long term lease for residential purpose.

3. As per the scheme, even employees of Public Sector Undertakings, Banks, Insurance Companies and Educational Institutions having their establishments in the salem Steel Township are covered by the Scheme. This is most shocking when employees of the Steel Plant are still waiting for quarters. Para 5.2.1 stated that bungalows of the Executive Director and similar accommodation of the highest category shall be beyond the scope of the same. As per the existing policy on housing loans, an employee cannot be given l oan for more than a house. However, even an employee who has taken a loan already, is covered by the impugned scheme and he can apply for the long term lease. Having acquired vast extent of area by the provisions of the Land Acquisition Act, 1894, for a public purpose, the respondents cannot now take any action contrary to that public purpose.

4. The allotment of quarters is also protected under clause 3.21 of the memorandum of settlement dated 1-8-2001 signed between the 2nd respondent-management and the first petitioner herein, a recognised Union. Further, the existing policy of allotment of quarters to the employees of the Salem Steel Plant is part of their service conditions and is protected by Section 9-A of the Industrial Disputes Act, 1947. The respondents cannot vary the same before 31-12 -2006 and even after that they cannot vary without following the procedure prescribed by section 9-A of the Industrial Disputes Act. Under these circumstances, the petitioners on behalf of the workers of Salem Steel Plant having left with no other alternative effective remedy filed the present writ petition.

5. On behalf of the respondents, Deputy General Manager (Personnel and Administration) of the first respondent company, has filed a counter affidavit disputing various averments made by the petitioners. The first respondent is a Government of India Company for the manufacture of Iron and steel Products including stainless steel products. It employees 1129 workmen, consisting of various categories. The terms and conditions of services of the employees are based on Standing Orders and Settlements entered into from time to time in the body known as NJCS (National Joint Committee for steel Industry). Due to globalization, intense international competition and the general downtrend in the steel industry worldwide, SAIL as a whole and especially Salem Steel Plant has been incurring losses for the past few years. The loss incurred by the company since 1998-99 as on 31-3-2001 is Rs.4023 crores. The cumulative loss for this financial year upto 31-1 2-2001 has been provisionally

assessed at Rs.1290/- crores. Salem Steel Plant (SSP) has so far incurred a cumulative loss of Rs.633.69 crores till 31-3-2001 and has incurred a loss of Rs.112.00 crores in this financial year alone till 31-12-2001. The company is, therefore, facing acute financial crisis and has decided to undergo business and financial restructuring in order to be competitive and viable. In the existing scenario, the company has to find ways and means of using these houses and earn cash revenue, which is the requirement for sustenance of the company. The construction of the Township was done in a phased manner and as on date 819 quarters, including the bungalow of the Executive Director, are available in the Township for allotment to the various categories of employees including Executives. It is also part of the responsibility of the first respondent to provide accommodation to members of the Central Industrial Security Force (CISF) which is the body entrusted with ensuring of security of the Plant and establishment. About 114 out of the 819 quarters are earmarked for employees of CISF. Out of the balance about 193 quarters are earmarked for allotment to Executives whose cause the petitioners Union cannot claim to espouse. Among the various categories, employees of the Salem Steel Plant can be considered to be concerned with only about 510 quarters. Since the available number of accommodation of quarters was less than the number of persons who could be accommodated, the company drew up guidelines in the form of circular in December, 1981 which laid down the guidelines for allotment of quarters to various categories of employees. When some allotments were made in the then existing quarters the petitioner Union filed W.P.No. 5783 of 198 3 before this Court challenging the very guidelines. After contest, by order dated 03-09-1991, this Court upheld the contentions of the Management and dismissed the Writ Petition. The said order was confirmed by the Division Bench in Writ Appeal No. 218 of 1992.

6. During the past 20 years, many changes have taken place. The accessibility to the Plant is no longer so difficult as many colonies and houses have come in and near the Plant itself. The respondent company itself has granted House Building Advances for 714 employees of whom about 390 houses have been built in Salem itself. Further, the first respondent company is paying house rent allowance to the employees who are not allotted houses in the Township as per the applicable rules. In order to maintain the financial health of the industry and to sustain its operations, the first respondent company had to take several measures including improvement in liquidity and cutting down its losses. The scheme is in the larger interest of the Salem Steel Plant including its employees and also in public interest. By March, 2005 the company will have surplus accommodation to the extent of 20,000 houses and there will be no employee to occupy them. Keeping in view these facts, company has

launched this scheme to gainfully utilize its real estate at a time of need when company is facing serious financial crunch and is fighting for its survival.

7. The scheme is an integrated one. By virtue of the present scheme, the public purpose now is to preserve and sustain operation of the plant

as a going concern and to prevent further deterioration/sickness. The memorandum of settlement dated 01-08-2001 is a sequel to an All India Agreement between the first respondent company and the workmen at the NJCS. The NJCS agreement makes it clear that those not provided allotment of quarters will be paid HRA.

8. The violation of Section 9A of the Industrial Disputes Act is untenable. The scheme is not taking away any existing legal right or affecting any conditions of service of any of the employees in the Salem Steel Plant and the contentions to the contrary are unsustainable. Further, the scheme operates only on 202 out of 818 quarters and there would still be more than 500 quarters which can be utilised by the management to make allotment to the employees when they deem it necessary. They have no intention to lease the company quarters to any third parties except the ex-employees and the persons working in the institutions having their establishments in the Salem Steel Plant Township. In the course of conducting its business, steps have to be taken and implemented in a planned manner and as long as the reasons are bona fide and commercially supportable decisions, the Trade Unions cannot seek to involve this Court exercising jurisdiction under Article 226 of the Constitution of India, either to devalue the wisdom of such decision or to devalue the exercise of the administrative power involved. The writ petition is totally misconceived and liable to be dismissed.

9. In the light of the above pleadings, I have heard Miss R. Vaigai, learned counsel for the petitioners and Mr. S. Ramasubramaniam, learned senior counsel for the respondents.

10. Learned counsel for the petitioners has raised the following contentions:-

(i) The decision of the respondents to give away the houses/ flats in the Salem Steel Plant Township on long term lease is unreasonable, unjust and violative of the rights of the petitioner employees for housing in the Township;

(ii) The right to housing has been protected under the agreement dated 1-8-2001 between the management and the workmen and is therefore a protected condition of service under Section 9-A read with IV Schedule to the Industrial Disputes Act.

On the other hand, learned senior counsel for the respondents has raised the following conditions:-
(i) By the present scheme, the conditions of service of the employees of the petitioner Union are not affected;

(ii) The petitioners have no legal right to invoke the jurisdiction of this Court;

(iii) There is no violation of Rule 9-A of the Industrial Disputes Act;

(iv) The scheme is evolved for revival of Salem Steel Plant;

(v) In a matter of policy decision unless it is found to be so arbitrary and shocking to the conscience of the Court, no interference is to be made with the scheme framed by the employer and this is not a case where there is any monstrosity warranting interference.

11. I have carefully considered the rival submissions.

12. Since all the above contentions are inter-connected, they are being disposed of as hereunder. It is the grievance of the petitioners-various Trade Unions of Salem Steel Plant that though there are about 1250 workmen employed in the Salem Steel Plant at Salem, the number of houses constructed were not sufficient to accommodate all the employees. In order to solve the problem, the respondent company has framed Rules called House Allotment Rules for nonexecutive employees, providing for detailed norms to determine eligibility for allotment. It is also the case of the petitioners that as of now about 40 per cent of the employees have been allotted quarters and many of the workmen members of the petitioner Unions are still waiting in the queue for such allotment and they are facing a lot of hardships in coming all the way from the town to the plant for work. It is also highlighted that when the Union had filed Writ Petition No. 5783/198 3 before this Court challenging the House Allotment Rules with reference to some of the criteria for allotment on the ground that they operate in such an arbitrary manner that many senior employees do not get quarters, while their juniors get the quarters much earlier, the management of Salem Steel Plant had filed a counter affidavit before this Court in the said case (W.P.5783/1983). It is stated in the counter affidavit that the allotment of quarters is a very important facility to a worker/executive which will go a long way to improve his utility to the organisation. It is also stated that particularly with reference to a factory like the Salem Steel Plant which is situated away from a developed town, the allotment of houses is a necessity with reference to the employees who are important from the companys point of view. It is contended that having accepted that providing housing facility to all the work forces is an important facility, the present scheme called SAIL Scheme for leasing houses to employees 2001 proposing to allot houses and flats on long term lease is illogical and unfair. In this regard, it is useful to refer the back ground for introduction of the impugned scheme as well as the other details regarding housing facilities and allotment of quarters provided in the Salem Steel Plant. There is no dispute that Salem Steel Plant employs 1129 workmen, consisting of various categories. The terms and conditions of services of the employees are based on Standing Orders and Settlements entered into from time to time in the Body known as NJCS (National Joint Committee for Steel Industry). In the counter affidavit filed by the first respondent company, it is stated that due to globalisation, intense international competition and the general downtrend in the steel industry worldwide, Steel Authority of India (SAIL) as whole and especially Salem Steel Plant has been incurring losses for the past few years. The loss incurred by the company since

98-99 as on 31-3-2001 is Rs.4023 crores, and it has incurred a loss of Rs.11 2 Crores in the financial year alone till 31-12-2001. In the light of the above financial position and in order to sustain its operations and in view of the fact that huge investment has been made in the past for constructing these houses in the townships and very high expenditure is incurred every year in maintaining them, the respondents have evolved the present scheme for leasing the houses and flats for their ex-employees, their spouses etc., for long lease. The details furnished by the first respondent show that as on date 819 quarters, including the bungalow of the Executive Director, are available in the Township for allotment to the various categories of employees including Executives. About 114 out of the 819 quarters are earmarked for employees of Central Industry Security Force. Out of the balance about 193 quarters are earmarked for allotment to Executives. The particulars furnished further show that out of the total 819 quarters, the claim of the petitioners can be considered only with regard to 510 quarters. Inasmuch as the available number of accommodation of quarters was less than the number of persons who could be accommodated, the company drew up Guidelines in the form of a Circular in December, 1981 which laid down the guidelines for allotment of quarters to various categories of employees, who could be considered for such allotment. It was explained on the side of the respondents that allotment of quarters was based on the utility of the employees to the operations, their nature of work and the importance and necessity for their being near the place of work from the point of view of the company. The first respondent company also took into consideration, while considering the individual cases of employees, the length of service, and grade of the individual. When some allotments were made in the then existing quarters, the petitioner Union filed W.P.No. 5783/1983 before this Court challenging the very guidelines which were described as House Allotment Rules on the ground that they were arbitrary, irrational and violative of Article 14 of the Constitution of India. The first respondent company contested the said writ petition inter alia on the basis that the House Allotment Rules were guidelines framed by the first respondent company for its own administrative purposes and that there was no irrationality, irregularity or arbitrariness. D. Raju, J (as His Lordship then was), who heard the writ petition, accepted the contentions of the management and dismissed the same by judgment dated 03-09-91, stating that the case of working priorities in matters of the kind under consideration were to be left to the discretion of the employer and unless it is found to be so arbitrary and shocking to the conscience of the Court, no interference is to be made with the Scheme framed by the employer and this was not a case where there is any monstrosity warranting interference. The Honble Judge has also held that the reference to Article 21 and 300-A of the Constitution of India is wholly inappropriate. Apart from the merits, it is further held that this Court exercising jurisdiction under Article 226 of the Constitution of India, cannot enter upon an enquiry in such matter like this as if it is a consideration by the appellate authority. Not satisfied with the order of the Honble Judge, the employees Union filed Writ Appeal No. 218 of 92. The Division Bench of this Court in their order dated 28-07-98, after holding that the House Allotment Rules being

non-statutory, in the nature of guidelines to ensure uniformity in the matter of allotment of quarters, no fault can be found with them, dismissed the writ appeal and confirmed the order of the learned Single Judge. It is clear from the above decisions, the guidelines of the company in the form of circular for allotment of quarters to various categories of employees were upheld by this Court and in the light of the said conclusion, the same questions cannot be agitated once again.

13. Now let us consider the various features of SAIL Scheme for leasing of houses to employees 2001. In order to maintain the financial health of the industry and to sustain its operations, the first respondent had taken several measures such as Voluntary Retirement Scheme for its employees, stopping of loss making operations, sale of power plants and closing down of offices in some places. By the year 2003-2004, the Steel Plants of SAIL will have houses and flats in excess of its requirements. Therefore, the Steel Authority of India (SAIL) proposed to offer a specified number of company constructed houses/flats to its employees, ex-employees, spouses/legal heirs of deceased employees on long term lease for residential purpose.

4.0 Objectives of the Scheme

To enable employees, ex-employees, spouses/legal heirs of the deceased employees to acquire Companys houses/flats on long term lease basis.

To gainfully utilize assets created by the Company.

To reduce the cost of upkeep and maintenance of township in a phased manner.

To mobilize additional resources through leasing of Company houses/flats on long term basis and use the proceeds for better/ improved performance of the Company.

5.3.2 Order of Preference
The houses/flats in each category shall be leased to eligible applicants within the numbers frozen and specified by Salem Steel Plant.
The order of preference for leasing of the houses/ flats will be as under:
1. Employees of Salem Steel Plant including those released under VRS 2001, in occupation of respective Companys houses/flats.
2. Employees of Salem Steel Plant not in occupation of Companys houses/flats offered under this scheme, irrespective of one owning a house of his own in Salem.
3. Employees of other Plants/Units/Corporate Office of SAIL.
4. Spouses/legal heirs of deceased employees in authorized occupation of the houses/flats.
5. Ex-employees in authorized occupation of Companys houses/flats.
6. Spouses/legal heirs of deceased employees not in occupation of houses/flats.
7. Ex-employees not in occupation of Companys houses/ flats.

8. Public Sector Undertakings, Scheduled/ Nationalized Banks, Insurance Companies and Educational Institutions having their establishments in the Salem Steel Plant Township and their employees.

7.0 Lease Agreement
7.1 The houses/flats shall be offered on long term lease, on payment of one time lumpsum premium/consideration, initially for 33 years renewable for two like periods.

9.0 Criteria for Allotment of Houses / Flats
9.1 Subject to the preferences at 5.3.2, the allotment of houses/flats in the Salem Steel Plant Township for each category of houses/flats shall be governed by the length of service based on date of joining of an applicant employee in the Company (SAIL), subject to their entitlement as per Salem Steel Plant House Allotment Rules for that category of the houses/flats.
9.2. In the process of opting for a house/flat other than in occupation, an employee can also opt for the house/flat of one category higher or any category lower than the entitlement of the house/ flat subject to Clause 5.2.1 and 5.2.2 above.
(a) The executives can apply for one type higher category of house/flat than the entitlement within houses/flats earmarked for executives.
(b) The non-executives can apply for one type higher category of house/flat than the entitlement within the categories of houses/ flats earmarked for them.
9.3 The house/flat can be given on joint lease under the scheme in the joint name of the employee and his/her dependent/legal heir on the basis of the eligibility/order of preference of the employee on the rolls of the Company.
9.4 In case both husband and wife are employees of SAIL, they can be leased two separate houses/flats for each one of them.
9.5 Two houses/flats may be allotted to one applicant on lease subject to the condition that the total plinth area of both houses does not exceed 1250 sq.ft.

The analysis of the objective of the Scheme, eligibility, order of preference, terms of lease agreement and criteria for allotment of houses/flats show that it is fair and reasonable and the same cannot be termed as irrational or illogical as claimed by the petitioners.

14. Though vast extent of lands were initially acquired for a public purpose, namely, for providing Salem Steel Plant and for office and residential accommodation for their employees and Executives, as rightly contended by the respondents, the said lands were acquired for a public purpose, namely, for setting up Salem Steel Plant. There is no dispute that the said public purpose has been attained and sub-served all these years. It is the endeavour of the respondent that the said public purpose now is to preserve and sustain operation of the plant as a going concern and to prevent further deterioration, for which they are contemplating various schemes and the present scheme is one such. Further, it is demonstrated before me that the scheme operates only on

202 houses out of 818 quarters and there would be still more than 500 quarters which can be utilised by the management to make allotment to the employees when they deem it necessary. They also furnished details regarding availing house loan facilities by the workers and entitlement of House Rent Allowance to those who are not provided with quarters. Considering all these above aspects, I am unable to accept the argument of the learned counsel for the petitioners and I hold that the present scheme is fair and reasonable.

15. Now I shall consider the other contention, namely, violation of Section 9-A of the Industrial Disputes Act. It is the specific case of the petitioners that the members of their Union have the right to housing. It is their further case that as the same has been protected under the agreement / settlement dated 1-8-2001, it is a protected condition of service under Section 9-A of the Industrial Disputes Act. Though it is submitted that the allotment of quarters is protected under the Settlement dated 1-8-2001, the specific clause has not been brought to the notice of this Court. On the other hand, the respondents have explained that the Memorandum of Settlement dated 1-8-2001 is a sequel to an All India agreement between the first respondent company and the workmen at the NJCS. It is further pointed out that clause 3.2.1.1 shows that no right to the allotment of any quarters has been conferred on any employee under the said Settlement. Though learned counsel for the petitioners has made an elaborate argument on the right to shelter in terms of Constitution of India, inasmuch as the Union and the management have agreed to and entered into a Settlement, the reading of the relevant clause of the NJCS agreement makes it clear that those not provided with allotment of quarters will be paid House Rent Allowance. In the earlier part of my order, I have referred to the House Allotment Rules which were the subject matter of Writ Petition No. 5783 of 83 and Writ Appeal No.218 of 1992 before this Court in the said proceedings. This Court has held that the House Allotment Rules are non-statutory in character and the working priorities should be left to the discretion of the employer and no interference will be made with the scheme devised by the employer. It was further held that the Rules are only guidelines framed for the benefit of the administration. Though learned counsel appearing for the petitioners has very much relied on the following decisions, namely,
1) VOLTAS VOLKART EMPLOYEES UNION v.VOLTAS LTD.
(1999 (4) L.L.N. 1107)

2) P.G. GUPTA v. STATE OF GUJARAT
(1995 Supp (2) S.C.C. 182)

3) TATA IRON AND STEEL CO. LTD. v. THE WORKMEN
(1972-II- L.L.J. 259)

4) SHIV SAGAR TIWARI v. UNION OF INDIA
(1997) 1 Supreme Court Cases 444)

5) PUNJAB COMMUNICTIONS LTD., v. UNION OF INDIA
(AIR 1999 Supreme Court 1801)

6) M/S. LOKMAT NEWSPAPERS PVT. LTD.,v. SHANKARPRASAD
(AIR 1999 Supreme Court 2423)

in the light of the Memorandum of Settlement dated 1-8-2001, of the earlier orders of this Court in Writ Petition No. 5783 of 1983 and Writ Appeal No. 218 of 1992 relating to House Allotment Rules, and of the fact that even after the implementation of the present scheme, more than 500 quarters can be utilised by the management to make allotment to their employees, and the particulars regarding house loans etc., as well as the fact that the employees who are not allotted company quarters are entitled to H.R.A., I am of the view that those decisions are not helpful to the petitioners case.

16. It is relevant to refer the observation of the Supreme Court in Punjab Communications Ltd., v. Union of India, reported in AIR 1999 Supreme Court 1801: (para 40)

40The result is that change in policy can defeat a substantive legitimate expectation if it can be justified on Wednesbury reasonableness. We have noticed that in Hindustan Development Corporation case (1993) 3 SCC 499: (1994 AIR SCW 643) : (AIR 1994 SC 988) also it was laid down that the decision maker has the choice in the balancing of the pros and cons relevant to the change in policy. It is, therefore, clear that the choice of the policy is for the decision maker and not for the Court. The legitimate substantive expectation merely permits the Court to find out if the change in policy which is the cause for defeating the legitimate expectation is irrational or perverse or one which no reasonable person could have made.

17. I have already referred to the stand of the respondents on the critical financial position of the SAIL as a whole, and especially the Salem Steel Plant has been incurring losses for the past few years. They also furnished the details regarding loss incurred by the SAIL since 1998-99 and in particular the Salem Steel Plant which we are concerned in this writ petition. I have also referred to the various steps being taken by the SAIL for sustenance of the company. One among the steps was acquisition of large extent of lands and construction of houses/flats thereon for the workers and executives. Besides this, the respondents have brought to the notice of this Court the various steps taken by the SAIL for the reduction of the expenditure and likelihood of the reduction in the man power at the end of 2005 and in such circumstances, more houses and flats will be available at the disposal of the management. Considering all the above aspects, it is clear that SAIL has taken or formulated series of steps or schemes by way of policy decision and the present scheme viz., SAIL Scheme for leasing of houses to employees 2001 is one among them formulated by the SAIL for sustenance of the company. In such a circumstance, learned counsel appearing for the respondents relying on a recent judgment of the Supreme Court in BALCO Employees Union (Regd.) v. Union of India, reported in 2002 (1) CTC 88, contended that in a matter like this interference by this Court exercising jurisdiction under Article 226 is very limited. In that case,

the employees of Bharat Aluminium Company Limited (BALCO) challenged the decision to invest the majority of the shares of BALCO in favour of Sterlite Industries Limited. The question considered by the Honble Supreme Court was whether such a decision is amenable to judicial review and if so to what parameter and to what extent. The following conclusion of Their Lordships are relevant: (para 92, 93 and 98)

92. In a democracy, it is the prerogative of each elected Government to follow its own policy. Often a change in Government may result in the shift in focus or change in economic policies. Any such change may result in adversely affecting some vested interests. Unless any illegality is committed in the execution of the policy or the same is contrary to law or mala fide, a decision bringing about change cannot per se be interfered with by the Court.
93. Wisdom and advisability of economic policies are ordinarily not amenable to judicial review unless it can be demonstrated that the policy is contrary to any statutory provision or the Constitution. In other words, it is not for the Courts to consider relative merits of different economic policies and consider whether a wiser or better one can be evolved. For testing the correctness of a policy, the appropriate forum is the Parliament and not the Courts. Here the policy was tested and the motion defeated in the Lok Sabha on 1 st March, 2001.

98. In the case of a policy decision on economic matters, the Courts should be very circumspect in conducting any enquiry or investigation and must be most reluctant to impugn the judgment of the experts who may have arrived at a conclusion unless the Court is satisfied that there is illegality in the decision itself.

In the light of the law laid down by the Apex Court as referred to above and in view of the objectives of the scheme which I have already referred to, I am of the view that none of the contentions raised by the learned counsel for the petitioners are acceptable. The objectives have already been set out and it is only to enable the employees and ex-employees to acquire company houses/flats on long term basis. In order to determine the preference among the eligible applicants, the scheme mentions a certain order of preference and there is no express or implied provision, by virtue of which any employee is likely to be disturbed or thrown out of the companys accommodation. No doubt, it is true that clause 8 of clause 5.3.2 enables the persons working in the Public Sector Undertakings, Nationalized Banks, Insurance Companies and Educational institutions having their establishments in the Salem Steel Plant Township and their employees to avail the benefits under the present scheme. Inasmuch as those persons having their establishments within the Salem Steel Plant Township alone are eligible, the same cannot be characterised as unfair or unreasonable since they are also helping the employees, executives and the Salem Steel Plant. In such a circumstance, the respondents are justified in giving an opportunity to them to have a house or flat on long term lease. As priority of allotment exists in the Scheme, the apprehension of the petitioners is also misconceived. As per clause 5.3.2, first preference will be given to employees of Salem Steel

Plant including those released under VRS 2001, in occupation of respective companys houses/flats. The persons working under the Public Sector Undertakings, Scheduled/Nationalized Banks, Insurance Companies and Educational Institutions having their establishments in the salem Steel Plant Township are grouped under clause 8 in the order of preference. It is also to be noted that this scheme is being implemented not only in the Salem Steel Plant, but also in all other steel plants under SAIL located at Bokaro, Bhilai, Durgapur and Ranchi. Apart from these, the respondents have also explained that unless they are allowed to proceed with the implementation of the scheme, it would cause loss all round.

18. I am satisfied that the impugned scheme is reasonable, fair and the same is framed for sustenance of various steel plants under SAIL including Salem Steel Plant. The respondents have not violated Section 9-A of the Industrial Disputes Act as claimed. Further, since SAIL taking in to consideration of various factors, has taken a policy decision and framed the impugned scheme for all its steel plants including the Salem Steel Plant, in the absence of any illegality or arbitrariness, the same cannot be interfered by this Court exercising jurisdiction under Article 226 of the Constitution of India.

19. In the light of what is stated above, I do not find any merit in the writ petition; consequently the same is dismissed. No costs. The interim injunction granted in WPMP No. 2359 of 2002 is vacated. WVMP No.154 of 2002 is closed.
28-03-2002
Index:- Yes
Internet:Yes
R.B.
To:-
1. Steel Authority of India Limited,
represented by its Chairman,
Ispat Bhawan, Lodi Road,
New Delhi 110 003.

2. The Executive Director,
Salem Steel Plant, Salem-636 013.

3. The Chief Town Administrator,
(Town Administration Department),
Salem Steel Plant, Salem-636 013.
P. SATHASIVAM, J

Order in
W.P.No.1692/2002
and WPMP 2359/2002
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